

This report will be made public on 11 February 2020

Report number **A/19/29**

**To:** Council  
**Date:** 19 February 2020  
**Head of Service:** Charlotte Spendley, Director of Corporate Services  
**Cabinet Member:** Councillor David Monk, Leader

**SUBJECT: GENERAL FUND BUDGET AND COUNCIL TAX 2020/21**

**SUMMARY:** This report concludes the budget setting process for 2020/21. It sets out recommendations for setting the council tax after taking into account the district's council tax requirement (including town and parish council requirements and special expenses in respect of the Folkestone Parks and Pleasure Grounds Charity), the precepts of Kent County Council, the Kent Police & Crime Commissioner and the Kent & Medway Fire & Rescue Service.

**REASONS FOR RECOMMENDATIONS:**

Council is asked to agree the recommendations set out below to approve the Budget and set the Council Tax for the year commencing 1 April 2020.

**RECOMMENDATIONS:**

1. To receive and note Report A/19/29.
2. To approve the District Council's budget for 2020/21 as presented in Appendix 1 to this report and the council tax requirement for 2020/21, to be met from the Collection Fund, of £13,044,673.
3. To approve that the following amounts be now calculated by the Council for the year 2020/21 in accordance with sections 31 to 36 of the Local Government Finance Act 1992 (the Act):
  - a) £105,350,102 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act (as in Appendix 2).
  - b) £92,305,429 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act (as in Appendix 2).
  - c) £13,044,673 – being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year (as in Appendix 2).
  - d) £333.55 – being the amount at 3(c) above divided by the tax base of 39,109.15 calculated by the Council, in accordance with Section

31B(1) of the Act, as the basic amount of its council tax for the year.

- e) £3,104,691 – being the aggregate of all special items (including parish precepts) referred to in Section 34(1) of the Act.
- f) £254.16 - being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by the tax base of 39,109.15 calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates, ie Old Romney and Snargate.

g) Part of the Council's area

Folkestone	348.59	Being the amounts given by adding to the amount at 3(f) above the special items relating to dwellings in those parts of the Council area mentioned here divided in each case by the appropriate tax base calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.
Sandgate	329.90	
Hythe	312.32	
Lydd	315.69	
New Romney	385.24	
Acrise	256.45	
Elham	312.54	
Elmsted	271.67	
Hawkinge	362.41	
Lyminge	301.24	
Lympne	304.49	
Monks Horton	263.57	
Newington	301.17	
Paddlesworth	265.04	
Postling	282.25	
Saltwood	279.20	
Sellindge	326.09	
Stanford	295.32	
Stelling Minnis	275.61	
Stowting	270.66	
Swingfield	307.23	
Brenzett	299.02	
Brookland	326.22	
Burmarsh	288.56	
Dymchurch	316.87	
Ivychurch	305.19	
Newchurch	290.53	
Old Romney	254.16	
St Mary in the Marsh	294.73	
Snargate	254.16	

**(h) Part of the Council's area****Valuation Bands**

<b>Parish</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Folkestone</b>	<b>232.39</b>	<b>271.12</b>	<b>309.86</b>	<b>348.59</b>	<b>426.05</b>	<b>503.52</b>	<b>580.98</b>	<b>697.18</b>
<b>Sandgate</b>	<b>219.93</b>	<b>256.59</b>	<b>293.25</b>	<b>329.90</b>	<b>403.21</b>	<b>476.52</b>	<b>549.83</b>	<b>659.80</b>
<b>Hythe</b>	<b>208.21</b>	<b>242.91</b>	<b>277.61</b>	<b>312.32</b>	<b>381.72</b>	<b>451.12</b>	<b>520.53</b>	<b>624.64</b>
<b>Lydd</b>	<b>210.46</b>	<b>245.54</b>	<b>280.61</b>	<b>315.69</b>	<b>385.84</b>	<b>456.00</b>	<b>526.15</b>	<b>631.38</b>
<b>New Romney</b>	<b>256.83</b>	<b>299.63</b>	<b>342.44</b>	<b>385.24</b>	<b>470.85</b>	<b>556.46</b>	<b>642.07</b>	<b>770.48</b>
<b>Acrise</b>	<b>170.97</b>	<b>199.46</b>	<b>227.96</b>	<b>256.45</b>	<b>313.44</b>	<b>370.43</b>	<b>427.42</b>	<b>512.90</b>
<b>Elham</b>	<b>208.36</b>	<b>243.08</b>	<b>277.81</b>	<b>312.54</b>	<b>381.99</b>	<b>451.44</b>	<b>520.89</b>	<b>625.08</b>
<b>Elmsted</b>	<b>181.11</b>	<b>211.30</b>	<b>241.48</b>	<b>271.67</b>	<b>332.04</b>	<b>392.41</b>	<b>452.78</b>	<b>543.34</b>
<b>Hawkinge</b>	<b>241.61</b>	<b>281.87</b>	<b>322.14</b>	<b>362.41</b>	<b>442.94</b>	<b>523.48</b>	<b>604.01</b>	<b>724.82</b>
<b>Lyminge</b>	<b>200.83</b>	<b>234.30</b>	<b>267.77</b>	<b>301.24</b>	<b>368.18</b>	<b>435.12</b>	<b>502.07</b>	<b>602.48</b>
<b>Lympne</b>	<b>202.99</b>	<b>236.82</b>	<b>270.66</b>	<b>304.49</b>	<b>372.15</b>	<b>439.82</b>	<b>507.48</b>	<b>608.98</b>
<b>Monks Horton</b>	<b>175.72</b>	<b>205.00</b>	<b>234.29</b>	<b>263.57</b>	<b>322.15</b>	<b>380.72</b>	<b>439.29</b>	<b>527.14</b>
<b>Newington</b>	<b>200.78</b>	<b>234.25</b>	<b>267.71</b>	<b>301.17</b>	<b>368.10</b>	<b>435.03</b>	<b>501.96</b>	<b>602.34</b>
<b>Paddlesworth</b>	<b>176.69</b>	<b>206.14</b>	<b>235.59</b>	<b>265.04</b>	<b>323.93</b>	<b>382.83</b>	<b>441.73</b>	<b>530.08</b>
<b>Postling</b>	<b>188.17</b>	<b>219.53</b>	<b>250.89</b>	<b>282.25</b>	<b>344.98</b>	<b>407.70</b>	<b>470.42</b>	<b>564.50</b>
<b>Saltwood</b>	<b>186.13</b>	<b>217.16</b>	<b>248.18</b>	<b>279.20</b>	<b>341.25</b>	<b>403.29</b>	<b>465.34</b>	<b>558.40</b>
<b>Sellindge</b>	<b>217.40</b>	<b>253.63</b>	<b>289.86</b>	<b>326.09</b>	<b>398.56</b>	<b>471.02</b>	<b>543.49</b>	<b>652.18</b>
<b>Stanford</b>	<b>196.88</b>	<b>229.69</b>	<b>262.51</b>	<b>295.32</b>	<b>360.95</b>	<b>426.57</b>	<b>492.20</b>	<b>590.64</b>
<b>Stelling Minnis</b>	<b>183.74</b>	<b>214.36</b>	<b>244.98</b>	<b>275.61</b>	<b>336.85</b>	<b>398.10</b>	<b>459.35</b>	<b>551.22</b>
<b>Stowting</b>	<b>180.44</b>	<b>210.52</b>	<b>240.59</b>	<b>270.66</b>	<b>330.81</b>	<b>390.96</b>	<b>451.11</b>	<b>541.32</b>
<b>Swingfield</b>	<b>204.82</b>	<b>238.96</b>	<b>273.10</b>	<b>307.23</b>	<b>375.51</b>	<b>443.78</b>	<b>512.06</b>	<b>614.46</b>
<b>Brenzett</b>	<b>199.35</b>	<b>232.57</b>	<b>265.80</b>	<b>299.02</b>	<b>365.47</b>	<b>431.92</b>	<b>498.37</b>	<b>598.04</b>
<b>Brookland</b>	<b>217.48</b>	<b>253.73</b>	<b>289.97</b>	<b>326.22</b>	<b>398.71</b>	<b>471.21</b>	<b>543.70</b>	<b>652.44</b>
<b>Burmarsh</b>	<b>192.37</b>	<b>224.44</b>	<b>256.50</b>	<b>288.56</b>	<b>352.68</b>	<b>416.81</b>	<b>480.93</b>	<b>577.12</b>
<b>Dymchurch</b>	<b>211.25</b>	<b>246.46</b>	<b>281.66</b>	<b>316.87</b>	<b>387.29</b>	<b>457.70</b>	<b>528.12</b>	<b>633.74</b>
<b>Ivychurch</b>	<b>203.46</b>	<b>237.37</b>	<b>271.28</b>	<b>305.19</b>	<b>373.01</b>	<b>440.83</b>	<b>508.65</b>	<b>610.38</b>
<b>Newchurch</b>	<b>193.68</b>	<b>225.97</b>	<b>258.25</b>	<b>290.53</b>	<b>355.09</b>	<b>419.65</b>	<b>484.21</b>	<b>581.06</b>
<b>Old Romney</b>	<b>169.44</b>	<b>197.68</b>	<b>225.92</b>	<b>254.16</b>	<b>310.64</b>	<b>367.12</b>	<b>423.60</b>	<b>508.32</b>
<b>St Mary in the Marsh</b>	<b>196.49</b>	<b>229.24</b>	<b>261.98</b>	<b>294.73</b>	<b>360.23</b>	<b>425.73</b>	<b>491.22</b>	<b>589.46</b>
<b>Snargate</b>	<b>169.44</b>	<b>197.68</b>	<b>225.92</b>	<b>254.16</b>	<b>310.64</b>	<b>367.12</b>	<b>423.60</b>	<b>508.32</b>

Being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. To note that for the year 2020/21 Kent County Council, Kent Police and Crime Commissioner and the Kent & Medway Fire & Rescue Service have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

	A £	B £	C £	D £	E £	F £	G £	H £
Kent County Council	900.84	1,050.98	1,201.12	1,351.26	1,651.54	1,951.82	2,252.10	2,702.52
Kent Police and Crime Commissioner	135.43	158.01	180.58	203.15	248.29	293.44	338.58	406.30
Kent & Medway Fire & Rescue	52.86	61.67	70.48	79.29	96.91	114.53	132.15	158.58

Major preceptor amounts remained subject to confirmation at the time of preparing this report.

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2020/21 for each of the categories of dwelling shown below:

(i) Part of the Council's area Valuation Bands

Parish	A £	B £	C £	D £	E £	F £	G £	H £
Folkestone	1,321.52	1,541.78	1,762.04	1,982.29	2,422.79	2,863.31	3,303.81	3,964.58
Sandgate	1,309.06	1,527.25	1,745.43	1,963.60	2,399.95	2,836.31	3,272.66	3,927.20
Hythe	1,297.34	1,513.57	1,729.79	1,946.02	2,378.46	2,810.91	3,243.36	3,892.04
Lydd	1,299.59	1,516.20	1,732.79	1,949.39	2,382.58	2,815.79	3,248.98	3,898.78
New Romney	1,345.96	1,570.29	1,794.62	2,018.94	2,467.59	2,916.25	3,364.90	4,037.88
Acrise	1,260.10	1,470.12	1,680.14	1,890.15	2,310.18	2,730.22	3,150.25	3,780.30
Elham	1,297.49	1,513.74	1,729.99	1,946.24	2,378.73	2,811.23	3,243.72	3,892.48
Elmsted	1,270.24	1,481.96	1,693.66	1,905.37	2,328.78	2,752.20	3,175.61	3,810.74
Hawkinge	1,330.74	1,552.53	1,774.32	1,996.11	2,439.68	2,883.27	3,326.84	3,992.22
Lyminge	1,289.96	1,504.96	1,719.95	1,934.94	2,364.92	2,794.91	3,224.90	3,869.88
Lympne	1,292.12	1,507.48	1,722.84	1,938.19	2,368.89	2,799.61	3,230.31	3,876.38
Monks Horton	1,264.85	1,475.66	1,686.47	1,897.27	2,318.89	2,740.51	3,162.12	3,794.54
Newington	1,289.91	1,504.91	1,719.89	1,934.87	2,364.84	2,794.82	3,224.79	3,869.74
Paddlesworth	1,265.82	1,476.80	1,687.77	1,898.74	2,320.67	2,742.62	3,164.56	3,797.48
Postling	1,277.30	1,490.19	1,703.07	1,915.95	2,341.72	2,767.49	3,193.25	3,831.90
Saltwood	1,275.26	1,487.82	1,700.36	1,912.90	2,337.99	2,763.08	3,188.17	3,825.80
Sellindge	1,306.53	1,524.29	1,742.04	1,959.79	2,395.30	2,830.81	3,266.32	3,919.58
Stanford	1,286.01	1,500.35	1,714.69	1,929.02	2,357.69	2,786.36	3,215.03	3,858.04
Stelling Minnis	1,272.87	1,485.02	1,697.16	1,909.31	2,333.59	2,757.89	3,182.18	3,818.62
Stowting	1,269.57	1,481.18	1,692.77	1,904.36	2,327.55	2,750.75	3,173.94	3,808.72
Swingfield	1,293.95	1,509.62	1,725.28	1,940.93	2,372.25	2,803.57	3,234.89	3,881.86
Brenzett	1,288.48	1,503.23	1,717.98	1,932.72	2,362.21	2,791.71	3,221.20	3,865.44
Brookland	1,306.61	1,524.39	1,742.15	1,959.92	2,395.45	2,831.00	3,266.53	3,919.84
Burmarsh	1,281.50	1,495.10	1,708.68	1,922.26	2,349.42	2,776.60	3,203.76	3,844.52
Dymchurch	1,300.38	1,517.12	1,733.84	1,950.57	2,384.03	2,817.49	3,250.95	3,901.14
Ivychurch	1,292.59	1,508.03	1,723.46	1,938.89	2,369.75	2,800.62	3,231.48	3,877.78
Newchurch	1,282.81	1,496.63	1,710.43	1,924.23	2,351.83	2,779.44	3,207.04	3,848.46
Old Romney	1,258.57	1,468.34	1,678.10	1,887.86	2,307.38	2,726.91	3,146.43	3,775.72
St Mary in the Marsh	1,285.62	1,499.90	1,714.16	1,928.43	2,356.97	2,785.52	3,214.05	3,856.86
Snargate	1,258.57	1,468.34	1,678.10	1,887.86	2,307.38	2,726.91	3,146.43	3,775.72

- 6. To determine that the District Council's basic amount of council tax for 2020/21 is not excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.**

## **1. INTRODUCTION**

- 1.1 This report concludes the budget setting process for 2020/21.
- 1.2 Cabinet considered the Council's final General Fund budget for 2020/21 and the council tax requirement at its earlier meeting on 19 February 2020. Cabinet has approved the General Fund Revenue Budget, a summary of which is included at Appendix 1. The draft budget was subject to review by Overview and Scrutiny Committee on 10 December 2019. It was also published for public consultation during late December and throughout January.
- 1.3 This report makes recommendations to enable the Council to set the council tax for each part of its area, after taking into account its council tax requirement for 2020/21 (including town and parish council requirements and special expenses in respect of the Folkestone Parks and Pleasure Grounds Charity) and the precepts of Kent County Council, the Kent Police & Crime Commissioner and Kent & Medway Fire & Rescue Service. Changes in respect of the major precept assumptions may result in a revised report having to be tabled.
- 1.4 The proposed General Fund budget for 2020/21 results in an increase to the average council tax at Band D of £5.04 (1.91%) to £268.38. This is the amount that Central Government monitors when considering whether any increase in council tax is excessive. The council tax bill separates out the special expenses element for Folkestone and Sandgate payers from this amount.

## **2. GENERAL FUND REVENUE BUDGET 2020/21**

- 2.1 The General Fund budget has been prepared on the basis of the Council's approved Medium Term Financial Strategy (MTFS) and Budget Strategy. It also takes into account announcements, where relevant, in the Chancellor's Spending Round 2019; and the Provisional Local Government Finance Settlement for 2020/21. The Final Local Government Finance Settlement has been reported in early February and has not made any significant changes from the provisional settlement position.
- 2.2 Initially the MTFS projected a shortfall of £357k. Further work has identified significant savings and changes to fees & charges along with the use of reserves for one-off growth items has resulted in a balanced budget now being presented to Members for approval.

### General Fund Revenue Budget 2020/21

- 2.3 The 2020/21 budget (excluding town and parish precepts and before any withdrawal from the General Reserve) is £14,249,108. The budget details are set out at Appendix 1.

### Town and Parish Precepts

- 2.4 Town and parish precepts form part of the council tax requirement. Total local council precepts in 2020/21 are £2,548,751 – an increase of £235,648 (10.2%) in cash terms compared to £2,313,103 in the current year. An

increase in precepts increases the council tax requirement and affects the average tax calculation; however it is not taken into account by the Government when monitoring 'excessive' increases. Town and parish councils are not currently subject to referendums.

### Council Tax Requirement

- 2.5 The statutory calculation for the council tax requirement is shown at Appendix 2. This sets out gross expenditure and gross income, including the Housing Revenue Account and overall changes to reserves. The outcome results in recommendations 3(a), (b) and (c).

## 3. GENERAL FUND REVENUE RESERVES

- 3.1 The Council's reserves position is shown below:

Reserve	1/4/2019 Balance £000	2019/20 Movement £000	31/3/2020 Balance £000	2020/21 Movement £000	31/3/2021 Balance £000
<b>Earmarked Reserves:</b>					
Business Rates	5,496	329	5,825	(4,426)	1,399
Carry Forward	723	(401)	322	0	322
Corporate Initiatives	404	454	858	(136)	722
IFRS <sup>1</sup> Reserve	38	(7)	31	(23)	8
Invest to Save	366	0	366	(366)	0
Leisure	197	50	247	(100)	147
New Homes Bonus (NHB)	2,524	(164)	2,360	(18)	2,342
VET <sup>2</sup> Reserve	637	(370)	267	(50)	217
Economic Development	2,901	1,326	4,227	(2,239)	1,988
Otterpool	2,129	(1,394)	735	(735)	0
Maintenance of Graves	12	0	12	0	12
Community Led Housing	437	(20)	417	(52)	365
Lydd Airport	9	0	9	0	9
Homelessness Prevention	319	0	319	0	319
High Street Regeneration	0	3,000	3,000	(468)	2,532
Climate Change	0	0	0	5,000	5,000
<b>Total Earmarked Reserves</b>	<b>16,192</b>	<b>2,803</b>	<b>18,995</b>	<b>(3,613)</b>	<b>15,382</b>
<b>General Reserve</b>	<b>6,513</b>	<b>490</b>	<b>7,003</b>	<b>0</b>	<b>7,003</b>
<b>Total General Fund Reserves</b>	<b>22,705</b>	<b>3,293</b>	<b>25,998</b>	<b>(3,613)</b>	<b>22,385</b>

<sup>1</sup> IFRS = International Financial Reporting Standards

<sup>2</sup> VET = vehicles, equipment and technology

- 3.2 The General Reserve is forecast to be £7.0m by 31 March 2021 and total General Fund Reserves (General Reserve plus Earmarked Reserves) are forecast to be £22.4m at 31 March 2021.

- 3.3 These forecasts are based on the current projected outturn position for 2019/20 and on the assumption that in-year budget variances are contained within the overall approved 2020/21 budget. Any emerging issues in 2019/20 which have a revenue impact will affect the forecast position of the General Reserve.



#### 4. CALCULATING COUNCIL TAX IN RESPECT OF DISTRICT AND PARISH REQUIREMENTS

4.1 The Council must calculate a 'basic amount' of tax for all Band D properties in each part of the district, taking into account not only the net expenditure of the District Council but also the precepts of the town and parish councils and the net expenditure of the Folkestone Parks and Pleasure Grounds Charity, which are charged to their local areas.

4.2 This net expenditure is known as the council tax requirement and is determined after taking in to account retained non-domestic rates, revenue support grant and the Council's share of the Collection Fund surplus. The calculation is set out at section 4.4 below.

4.3 The result of the calculation is divided by the Tax Base to give the tax rate. The Tax Base for 2020/21 of 39,109.15 Band D equivalent properties was approved by Corporate Director – Customers, Support and Specialist Services on 10 December 2019 via delegated authority through the constitution and is recommended to Full Council as part of this report.

4.4 The basic amount of tax (average District tax) is as follows:

	£
Expenditure - see Appendix 2	105,350,102
Income - see Appendix 2	<u>(92,305,429)</u>
<b>Council Tax Requirement- demand on the Collection Fund</b>	<b>13,044,673</b>
Divided by Tax Base	$\div$ 39,109.15
Basic amount of Council Tax - average District council tax	<u>£333.55</u>

The calculations for the basic amounts for each part of the District are set out at Appendices 3 and 4.

4.5 The average District council tax for Band D properties, including town and parish precepts, will be £333.55. This is an increase of £10.99 (3.41%) over 2019/20.

4.6 For the purposes of measuring Folkestone & Hythe's council tax increase against the Government's referendum criteria, the amount in respect of town and parish precepts is excluded.

<b>Band D Tax Rates</b>	<b>2020/21</b>	<b>2019/20</b>	<b>Increase</b>
	£	£	(Decrease)
Band D Council Tax - including Town and Parish precepts	<b>333.55</b>	322.56	<b>3.41%</b>
Town and Parish precepts - Band D equivalent	<b>(65.17)</b>	(59.22)	<b>10.05%</b>
Band D Council Tax - excluding Town and Parish precepts	<b>268.38</b>	263.34	<b>1.91%</b>

4.7 The average Council Tax to finance Folkestone & Hythe's net expenditure plans in 2020/21, including Special Expenses, is proposed to increase by £5.04 (1.91%) to £268.38.

4.8 The Council Tax applicable to dwellings in valuation bands other than Band D has been calculated in accordance with the proportions set out in the Act. The result of these calculations is set out in recommendation 3(h).

## 5. SETTING THE TOTAL AMOUNTS OF COUNCIL TAX FOR EACH PART OF THE DISTRICT

5.1 The final step in setting the council tax is for the Council to aggregate the District council tax with the precepts of Kent County Council, Kent Police and Crime Commissioner and Kent & Medway Fire & Rescue Service. The County, Police and Fire & Rescue precepts remain to be confirmed at the time of preparing this report.

5.2 Kent County Council, the Kent Police & Crime Commissioner and Kent & Medway Fire & Rescue Service plan to issue precepts of £52,846,630; £7,945,024; and £3,100,965 respectively. The County Council's precept includes £4,639,127 for the Adult Social Care precept which will be itemised separately on council tax bills.

5.3 The average total tax at Band D is summarised in the table below, confirming an overall increase of £74.36 (3.93%).

Authority	2020/21 £	2019/20 £	Increase £	Increase %
Folkestone & Hythe DC - including Special Expenses	268.38	263.34	5.04	1.91%
Town and Parish Councils	65.17	59.22	5.95	10.05%
<b>Total District Council</b>	<b>333.55</b>	<b>322.56</b>	<b>10.99</b>	<b>3.41%</b>
Kent County Council	1,351.26	1,299.42	51.84	3.99%
Kent Police Commissioner	203.15	193.15	10.00	5.18%
Kent & Medway Fire & Rescue	79.29	77.76	1.53	1.97%
<b>Total</b>	<b>1,967.25</b>	<b>1,892.89</b>	<b>74.36</b>	<b>3.93%</b>

5.4 Appendix 4 sets out the result of adding the precept figure to the District council tax for each part of the District and Recommendation 5 seeks approval to the council tax for each area analysed over the tax bands.

5.5 The relative elements of the average council tax charge for 2020/21 are as follows:

Council Tax 2020/21 – Band D	2020/21 £	% of total bill
Folkestone & Hythe DC (including Special Expenses)	268.38	13.64%
Town and Parish Councils	65.17	3.31%
<b>Total District Council</b>	<b>333.55</b>	
Kent County Council	1,351.26	68.69%
Kent Police Commissioner	203.15	10.33%
Kent Fire and Rescue Service	79.29	4.03%
<b>Total</b>	<b>1,967.25</b>	

## **6. ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

- 6.1 The Local Government Act 2003 requires the Council's Chief Finance Officer to give an opinion on the robustness of the budget and adequacy of the reserves. This statement is set out in full at Appendix 5.

## **7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **7.1 Legal Officer's Comments (NE)**

The Council must consistently comply with the Local Government Finance Act 1992 (as amended) and associated legislation. All the legal issues have been covered in the body of this report.

### **7.2 Finance Officer's Comments (CI)**

This report and appendices cover all financial matters necessary to enable Council to make the determinations in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011.

### **7.3 Diversities and Equalities Implications (CS)**

The Equality Impact Assessment is attached at Appendix 6.

## **8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Cheryl Ireland, Lead Accountant  
Telephone: 01303 853213  
Email: [Cheryl.ireland@folkestone-hythe.gov.uk](mailto:Cheryl.ireland@folkestone-hythe.gov.uk)

Charlotte Spendley, Director of Corporate Services  
Telephone: 07935 517986  
Email: [charlotte.spendley@folkestone-hythe.gov.uk](mailto:charlotte.spendley@folkestone-hythe.gov.uk)

The following background documents have been relied upon in the preparation of this report:

- Budget working papers
- 16 October 2019 - Report to Cabinet and Council - Medium Term Financial Strategy for the period 2020/21 to 2023/24
- 13 November 2019 - Reports to Cabinet - Budget Strategy 2020/21 and Fees & Charges 2020/21
- 11 December 2019 - Report to Cabinet - Draft General Fund Original Revenue Budget 2020/21
- 22 January 2020 - Report to Cabinet - Update to the General Fund Medium Term Capital Programme

**Appendices:**

Appendix 1 - General Fund Budget 2020/21

Appendix 2 - Calculation of District Council's Council Tax Requirement in accordance with Section 31A of the Local Government Finance Act 1992.

Appendix 3 - Calculation of Basic Amounts of Council Tax in accordance with Sections 31B and 34 of the Local Government Finance Act 1992.

Appendix 4 - Council Tax Calculations at Band D for each Area in the District.

Appendix 5 - Robustness of the Estimates and Adequacy of Reserves.

Appendix 6 - Equality Impact Assessment

## APPENDIX 1

2019/20		2020/21 Draft Original Budget December 2019 £	2020/21 Updated Original Budget February 2020 £
Original Budget £			
	<b>SUMMARY OF NET EXPENDITURE</b>		
	<b>Service Heads</b>		
354,240	Director of Corporate Services	236,790	<b>270,790</b>
700,370	Leadership Support	589,150	<b>689,150</b>
5,983,150	Governance, Law & Service Delivery	6,410,390	<b>6,462,720</b>
597,040	Human Resources	656,840	<b>662,840</b>
7,578,480	Finance, Strategy & Support Services	7,810,230	<b>7,869,250</b>
925,840	Strategic Development	818,300	<b>1,258,840</b>
596,480	Economic Development	544,060	<b>1,012,470</b>
513,400	Planning	504,060	<b>504,060</b>
2,544,140	Environment & Corporate Assets	1,433,590	<b>1,562,330</b>
(1,980,500)	Recharges	(1,900,500)	<b>(2,000,500)</b>
(340,000)	Net Unallocated Employee Costs	(24,000)	<b>65,000</b>
<b>17,472,640</b>	<b>TOTAL HEAD OF SERVICE NET EXPENDITURE</b>	<b>17,078,910</b>	<b>18,356,950</b>
461,830	Internal Drainage Board Levies	471,067	<b>474,089</b>
431,000	Interest Payable and Similar Charges	486,000	<b>486,000</b>
(848,000)	Interest and Investment Income	(793,200)	<b>(793,200)</b>
(1,542,740)	New Homes Bonus Grant	(1,195,675)	<b>(1,422,422)</b>
(1,815,160)	Other non-service related Government Grants	(1,815,608)	<b>(1,791,912)</b>
<b>14,159,570</b>	<b>TOTAL GENERAL FUND NET OPERATING EXPENDITURE</b>	<b>14,231,494</b>	<b>15,309,505</b>
2,110,247	Net Transfers to/(from) Earmarked Reserves	(2,488,080)	<b>(3,613,107)</b>
(3,000,000)	Contribution from General Reserve		
373,370	Minimum Revenue Provision	874,000	<b>874,000</b>
138,000	Capital Expenditure funded from Revenue	1,909,000	<b>1,678,710</b>
<b>13,781,187</b>	<b>TOTAL TO BE MET FROM REVENUE SUPPORT GRANT AND LOCAL TAXPAYERS</b>	<b>14,526,414</b>	<b>14,249,108</b>
2,313,103	Town and Parish Council Precepts	2,359,365	<b>2,548,751</b>
(3,495,940)	Business Rates Income	(3,576,117)	<b>(3,753,186)</b>
<b>12,598,350</b>	<b>TOTAL TO BE MET FROM DEMAND ON THE COLLECTION FUND AND GENERAL RESERVE</b>	<b>13,309,662</b>	<b>13,044,673</b>
(12,598,350)	Council Tax - Demand on Collection Fund	(12,953,256)	<b>(13,044,673)</b>
<b>0</b>	<b>(SURPLUS) / DEFICIT FOR YEAR</b>	<b>356,406</b>	<b>0</b>

**APPENDIX 2**

**CALCULATION OF DISTRICT COUNCIL'S COUNCIL TAX  
REQUIREMENT IN ACCORDANCE WITH SECTION 31A  
OF THE LOCAL GOVERNMENT FINANCE ACT 1992**

<b>EXPENDITURE (including additions to Reserves and Contingencies)</b>	<b>£</b>	<b>£</b>
1. Gross Revenue Expenditure (excl. Special Items)	100,397,169	
2. Special Items		
a) Special Expenses	555,940	
b) Parish Precepts	2,548,751	
3. Addition to Reserves		
a) New Homes Bonus Reserve	1,422,422	
b) Vehicles, Equipment and Technology	166,200	
c) Leisure Reserve	50,000	
4. Allowance for contingencies in the year	209,620	
<b>TOTAL EXPENDITURE Recommendation 3(a)</b>		<b>105,350,102</b>
		<hr/>
<b>INCOME (including use of Reserves)</b>		
1. Gross Revenue Income	(83,689,241)	
2. Use of Reserves		
a) New Homes Bonus Reserve	(1,440,747)	
b) Economic Development Reserve	(1,333,491)	
c) Business Rates Reserve	(765,000)	
d) Otterpool Reserve	(735,163)	
e) High Street Regeneration Reserve	(468,408)	
f) Vehicles, Equipment and Technology	(216,000)	
g) Leisure Reserve	(150,000)	
h) Corporate Initiatives Reserve	(68,000)	
i) Community Led Housing	(52,330)	
j) IFRS Reserve	(22,590)	
k) Housing Revenue Account	(3,364,459)	
<b>TOTAL INCOME Recommendation 3(b)</b>		<b>(92,305,429)</b>
		<hr/>
<b>COUNCIL TAX REQUIREMENT Recommendation 3 (c)</b>		<b>13,044,673</b>
		<hr/>

**APPENDIX 3**

**CALCULATION OF BASIC AMOUNTS OF COUNCIL TAX  
IN ACCORDANCE WITH SECTIONS 31B AND 34  
OF THE LOCAL GOVERNMENT FINANCE ACT 1992**

<b>1. BASIC AMOUNT OF TAX</b>			
a) Council Tax Requirement			£13,044,673
	<b>Recommendation 3(c)</b>		
b) Divided by Tax Base			39,109.15
c) Basic amount of Tax			£333.55
	<b>Recommendation 3(d)</b>		
<b>2. BASIC AMOUNT OF TAX FOR THOSE PARTS OF AREA TO WHICH NO SPECIAL ITEMS RELATE</b>			
a) Basic amount of tax			£333.55
	<b>Recommendation 3(d)</b>		
b) Special Expenses	£555,940		
c) Parish Precepts	£2,548,751		
d) Special Items	£3,104,691		
	<b>Recommendation 3(e)</b>		
e) Divided by Tax Base	39,109.15		(£79.39)
f) Basic Amount of Tax for Areas with no Special Items			£254.16
	<b>Recommendation 3(f)</b>		
	See Appendix 4 for individual parishes		
<b>3. BASIC AMOUNT OF TAX FOR THOSE PARTS OF AREA TO WHICH SPECIAL ITEMS RELATE</b>			
a) Basic Amount of Tax for Areas with no Special Items			£254.16
	<b>Recommendation 3(f)</b>		
b) Special Items for each individual area of the District	£X		
c) Divided by Tax Base for each individual area of the District		Y =	£Z
d) Basic Amount of Tax for Areas with Special Items			£254.16 + £Z
	<b>Recommendation 3(g)</b>		
	See Appendix 4 for individual parishes		

APPENDIX 4

COUNCIL TAX CALCULATIONS AT BAND D FOR EACH AREA IN THE DISTRICT

Area	Precepts	+ F/stone Parks Charity	= Special Items	÷Tax Base	= Council Tax for Special Items	+ Council Tax for General Items	= District*	+ KCC, Police and Fire Precepts	= Total Council Tax
	£	£	£		£	£	£	£	£
Folkestone	873,950	490,155	1,364,105	14,445.85	94.43	254.16	348.59	1,633.70	1,982.29
Sandgate	81,063	65,785	146,848	1,938.83	75.74	254.16	329.90	1,633.70	1,963.60
Hythe	361,155		361,155	6,210.10	58.16	254.16	312.32	1,633.70	1,946.02
Lydd	134,500		134,500	2,185.88	61.53	254.16	315.69	1,633.70	1,949.39
New Romney	366,369		366,369	2,794.91	131.08	254.16	385.24	1,633.70	2,018.94
Acrise	200		200	87.24	2.29	254.16	256.45	1,633.70	1,890.15
Elham	42,705		42,705	731.54	58.38	254.16	312.54	1,633.70	1,946.24
Elmsted	2,750		2,750	157.05	17.51	254.16	271.67	1,633.70	1,905.37
Hawkinge	327,276		327,276	3,023.39	108.25	254.16	362.41	1,633.70	1,996.11
Lyminge	54,720		54,720	1,162.27	47.08	254.16	301.24	1,633.70	1,934.94
Lympne	33,000		33,000	655.69	50.33	254.16	304.49	1,633.70	1,938.19
Monks Horton	597		597	63.42	9.41	254.16	263.57	1,633.70	1,897.27
Newington	7,000		7,000	148.89	47.01	254.16	301.17	1,633.70	1,934.87
Paddlesworth	200		200	18.39	10.88	254.16	265.04	1,633.70	1,898.74
Postling	3,200		3,200	113.91	28.09	254.16	282.25	1,633.70	1,915.95
Saltwood	10,000		10,000	399.34	25.04	254.16	279.20	1,633.70	1,912.90
Sellindge	50,000		50,000	695.08	71.93	254.16	326.09	1,633.70	1,959.79
Stanford	8,000		8,000	194.36	41.16	254.16	295.32	1,633.70	1,929.02
Stelling Minnis	6,720		6,720	313.32	21.45	254.16	275.61	1,633.70	1,909.31
Stowting	2,000		2,000	121.19	16.50	254.16	270.66	1,633.70	1,904.36
Swingfield	25,651		25,651	483.30	53.07	254.16	307.23	1,633.70	1,940.93
Brenzett	6,300		6,300	140.43	44.86	254.16	299.02	1,633.70	1,932.72
Brookland	12,000		12,000	166.53	72.06	254.16	326.22	1,633.70	1,959.92
Burmarsh	3,977		3,977	115.61	34.40	254.16	288.56	1,633.70	1,922.26
Dymchurch	83,000		83,000	1,323.52	62.71	254.16	316.87	1,633.70	1,950.57
Ivychurch	4,918		4,918	96.38	51.03	254.16	305.19	1,633.70	1,938.89
Newchurch	4,500		4,500	123.74	36.37	254.16	290.53	1,633.70	1,924.23
Old Romney	-		-	85.00	-	254.16	254.16	1,633.70	1,887.86
St Mary in the Marsh	43,000		43,000	1,059.82	40.57	254.16	294.73	1,633.70	1,928.43
Snargate	-		-	54.17	-	254.16	254.16	1,633.70	1,887.86
	<u>2,548,751</u>	<u>555,940</u>	<u>3,104,691</u>	<u>39,109.15</u>					

\*Recommendation 3(f) and 3(g)



### ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

#### Introduction

The council has a legal duty to produce a balanced budget and must take all reasonable factors into account when doing so. Under the Local Government Act 2003 section 25(1) (b), the Chief Finance Officer (CFO) must advise the council about the **robustness of the budget** and the **adequacy of the council's reserves** when it considers its budget and council tax. The Act requires Members to have regard to this report in making their decisions.

As the council's CFO, I confirm that in my opinion the draft budget is robust and the proposed level of reserves is adequate in respect of the proposed budget for 2020/21. The reasons for this opinion are set out below.

Members should note that if they wish to depart from or amend the draft Budget, the comments within this Appendix may require revision.

#### Background

The financial pressures faced by Local Authorities are widely known and the sector has undergone significant funding changes in recent years, prompting a change to our approach as we transition away from a reliance on central government grant funding.

The Local Government Finance Settlement figures for 2020/21 were issued on 20 December 2019. Due to the wider political turbulence during 2019 the Fair Funding Review anticipated to be implemented in 2020/21 was deferred and a one year spending round was announced for 2020/21 in September 2019. The Spending Round 2019 also confirmed that the Business Rates baseline review would also be deferred until 2021/22. Through the settlement our Business Rates pooling arrangement with Kent & Medway authorities was confirmed to continue for 2020/21 which will operate under the 50% retention scheme for a further year. The settlement also confirmed a Council Tax increase of 2% (or £5) for the Council be permissible under the referendum limits.

The Council has in recent year's demonstrated strong financial performance adding to the reserves in place which has helped to buffer the impact and manage the uncertainties experienced of late within the sector.

Despite the Councils past strong financial performance and the currently robust position, the Council must remain prudent in its approach in particular until the outcome of the Fair Funding Review, the future Spending Review is known and the Medium Term Financial Strategy gap is addressed.

## **Robustness of the Estimates**

In assessing the robustness of the estimates this statement looks at the key factors and risk areas associated with the proposed 2020/21 budget and how they have been and can be managed.

### The MTFS

In considering the budget calculations for 2020/21 regard should be had to the medium term financial position of the council and the future of local government funding. It was anticipated that clarity would have been available regarding the future of Business Rates retention and wider funding by this time but that is not the case. The technical consultation is anticipated to be available in the Spring and will be evaluated and incorporated into an update MTFS in due course.

The current MTFS was considered by Cabinet and Full Council in October 2019, and identified a gap for 2020/21 of £357k and over its term (2020/21 – 2023/24) of £4 million.

The council has various strategies in place to address the medium term funding gap. The multi-pronged approach to achieving a balanced position is set out in the MTFS and Budget Strategy. Specific initiatives include:

- the Transformation Programme
- the council's regeneration and housing company, Oportunitas
- a range of Strategic Development Projects and investment opportunities
- continued emphasis on economic development and building more homes including Otterpool Park Garden Town
- the use of reserves to ensure future financial sustainability.

### Development of Budgets

Following consideration of the MTFS in October 2019 and the 2020/21 Budget Strategy together with the proposed Fees and Charges 2020/21 were approved by Cabinet in November 2019. Prior to this, both were subject to scrutiny by the Overview & Scrutiny Committee.

In December 2019 the 2020/21 General Fund Draft Budget was examined in detail by the Overview & Scrutiny Committee. All Chief Officers and Assistant Directors were present for this debate to aid the discussion on the proposals made. The Medium Term Capital Programme and the HRA Revenue and Capital budgets were presented for scrutiny in January 2020.

This statement accompanies the General Fund Budget and council tax requirement to be considered for approval by Full Council following a final update report to Cabinet on the same day.

This report is the culmination of the budget process; detailed work has taken place behind the scenes with finance officers, budget holders, Chief Officers, Assistant Directors and CLT to ensure the budget estimates are robust. In addition to this there have been regular updates to Informal Cabinet.

The budget-setting process commenced with detailed budget guidelines covering the General Fund, HRA and Capital Programme that were issued in late summer. This aided a consistent approach to preparing the budget estimates. During August and September the Finance staff worked with budget holders to review all controllable costs, agree the salary budgets and build the base budget. Staff establishment salary budgets were prepared based on the approved structure for each cost centre on a post by post basis. Assistant Directors and Chief Officers were asked to work with their budget holders and Finance Officer to assess the need for growth in their areas and identify efficiency proposals. These proposals alongside the proposed fees and charges schedules (developed in accordance with the policy framework) were scrutinised by the Corporate Leadership Team (CLT) before the incorporation of them in the November round of Cabinet papers.

The budget estimates included assumptions around a number of key factors. The process for determining the 2019/20 budget has again required the majority of budgets to be cash limited. The only budgets that have been adjusted for inflation are salaries and existing inflationary commitments in relation to contracts. A provision for pay awards has been made.

Estimates have also taken account of the financial implications of the council's Capital Programme and the level of financing required to meet the expenditure demanded. The capital programme is fully funded as presented to Members. This is based on the use of reserves and the investment of future income streams.

The proposed Capital Programme includes significant investment in the Otterpool Park Garden Town development. This project has progressed at pace during the previous 12 months but it remains a long term project with a life of around 30 years for its full development. This project does offer a unique opportunity to the council, but it is not without risk. Appropriate advice has been taken (legal, financial, tax, market etc) at each key stage and the council will need to continue to do so in order to ensure robust informed decisions are taken at the appropriate times as the project progresses.

The Budget Strategy process identified combined growth of £ £1.27m which included ICT funding to aid the transformation of our core services. Savings of £1.003m were identified, and a further £149k through a review of the current charging levels for income. The baseline budget for 2020/21 incorporated £600k of transformation savings and further savings are anticipated for future years.

The Budget includes an assumption of Council Tax increases (including the special expense) of 1.91%. This is within the referendum limit and is an important element in determining a balanced budget both for the coming financial year but also one sustainable for the future.

The Council also draws income from the Business Rates scheme. Business rates funding is dependent on the council's ability to retain and grow its business rates base. As a result, estimates have had to be made for the level of income taking into account various assumptions about the number of businesses, appeals against rateable values and levels of collection. I am satisfied with the estimates made

and feel they reflect a fair and balanced approach based on the information available at this time.

### Mitigating Risks

To assist with mitigating the risks associated with budget preparation there is a CLT contingency within the budget to allow for unforeseen events and to assist with ensuring corporate priorities are delivered.

Stringent budget monitoring will continue to be undertaken, with particular emphasis being placed on monitoring income targets, salary costs, high-risk expenditure items and volatile funding sources. Prompt responses to in-year projected deficits will be demanded by Cabinet Members and Senior Officers. The financial monitoring system covers both revenue and capital expenditure and work is being undertaken to bring forward and continually improve the budget preparation process.

The Council has a depth of experience budget managers across its service areas and a strong finance team. We will continue to provide updates to budget managers and will support finance staff with relevant training and professional development to maintain this position.

In conclusion I am satisfied that officers have undertaken a robust and thorough approach to the setting of the budget for 2020/21. I am satisfied with the estimates in place that determine the setting of the budget and council tax for the coming financial year. The council will continue to assess the position in year, ensure it remains within the budget set and react promptly to address any changes identified. In addition, we will continue to give consideration to closing future budget gaps, acting proactively over the year and assessing funding updates when they become available.

### **Adequacy of Reserves**

The requirement for financial reserves is acknowledged in statute (Local Government Finance Act 1992). The level of working balances and reserves held by a council is not prescribed. The minimum prudent level of reserves that the council should maintain is a matter of judgment.

The current approach of the council reflects the guidance issued within LAAP Bulletin 99. This sets out that reserves should be held for three main purposes:

- a **working balance** to help cushion the impact of uneven cash flows and avoid the need for temporary borrowing;
- a **contingency** to cushion the impact of unexpected events or emergencies;
- **earmarked reserves** to meet known or predicted requirements.

The Council held £16.2m in Earmarked Reserves and £6.5m in the General Reserve on 1 April 2019, and through this budget setting process anticipates to hold £15.4m in Earmarked Reserves and £7m in the General Reserve by 31 March 2021. Whilst there are movements anticipated both contributing to and withdrawing

from, the council is managing its reserves position prudently, and is anticipated to continue to do so over the coming year.

This position is also reflected in the CiPFA Financial Resilience Index which identified the council as being at the lower end of the risk profile when compared to 'nearest neighbours' in considering indicators of financial stress in respect of our reserves positions. These indicators include the reserves sustainability measure (which considers current levels of reserves and average changes in levels of reserves).

There are serious consequences of not keeping a minimum prudent level of reserves as the council would be unable to manage unexpected events and need to make decisions which could have a detrimental impact on the communities it serves.

The council reviews annually the adequacy of the reserve levels taking into account the council's exposure to risk, the systems of internal control, the robustness of the estimates, adequacy of financial management arrangements, our track record on budget monitoring, the strength of financial reporting, capacity to manage in year budget pressures and cash flow requirements to determine appropriate levels for the reserves. The monitoring and control systems in place are robust and identify at an early stage any significant variations within the council's activities.

The Medium Term Financial Strategy outlines the proposed required minimum level of reserves (General Fund £2.5m; HRA £2.0m) and also how we would assess the adequacy of our reserves levels.

Having considered the current level of reserves held, the anticipated levels of reserves through to end of 2020/21, the proposed budget and the financial controls & reporting in place I am satisfied that the required minimum level of reserves remain appropriate and the level of reserves held are appropriate, robust and sustainable at this time.

Charlotte Spendley FCCA (Chief Finance Officer)  
10 February 2020

## EQUALITY IMPACT ASSESSMENT

Directorate: Corporate Services  
Service: Finance

Accountable Officer: Charlotte Spendley  
Telephone & e-mail: 07935 517986  
[charlotte.spendley@folkestone-hythe.gov.uk](mailto:charlotte.spendley@folkestone-hythe.gov.uk)

Date of assessment: 6 February 2020

Names & job titles of people carrying out the assessment:  
Charlotte Spendley, Director of Corporate Services  
Cheryl Ireland, Lead Accountant, Corporate Services

Name of service/function/policy etc: General Fund Revenue Budget 2020/21
---

Is this new or existing? Annual production of Council's General Fund Budget and Council Tax Setting.
---

### Stage 1: Screening Stage

#### 1. Briefly describe its aims & objectives

The council's Corporate Plan informs preparation of the Medium Term Financial Strategy (MTFS) and Budget Strategy which underpin preparation of the General Fund Revenue Budget each year.
--

The Budget is the detailed financial plan of how the council will operate its day to day activities to achieve corporate objectives.
--

#### 2. Are there external considerations? (legislation/government directive etc.)

The council is required to comply with the Local Government Finance Act 1992 (as amended) and associated legislation when setting the budget and council tax. The position is also informed by the Local Government Settlement, which this year was provisionally announced on 20 December 2019.
--

#### 3. Who are the stakeholders and what are their interests?

The main stakeholders are local taxpayers, the electorate, Members and central government.
--

The General Fund budget report sets out planned expenditure and income for day to day service delivery activities. It informs taxpayers and the electorate
--

about how council tax, government grants, business rates and other sources of income are utilised. It enables them to see in financial terms how Corporate Plan objectives will be delivered and how the council will deliver services and statutory functions during the year.

Members approve the budget and council tax. Their responsibility is to ensure that there are adequate resources to deliver policies and services and that approved budgets are used for the specified purpose. Stakeholders are consulted during budget setting and may challenge the council if they identify any matters of concern in how these responsibilities are fulfilled.

Actual expenditure and income compared to the approved budget is monitored on a monthly basis throughout the year and is reported to Members every quarter. The approved budget is also reported to Central Government via an annual return.

#### **4. What outcomes do we want to achieve and for whom?**

The aim is to achieve a balanced budget that reflects the Medium Term Financial Strategy and Budget Strategy to satisfy the stakeholders as identified in 3. Also to ensure that the Council's statutory responsibilities are fulfilled.

#### **5. Has any consultation/research been carried out?**

Yes.

Internally - consultation took place with the Corporate Leadership Team (CLT), Cabinet Members, Assistant Directors, Chief Officers and budget managers through their involvement in setting strategies. This informs the MTFS, the Budget Strategy, the annual budget and the fees & charges strategy. Chief Officers/budget managers are also asked to seek to align their budget and service plans annually. Budget Managers, Chief Officers and Assistant Directors contribute towards the agreed growth and savings identified within both the budget strategy & detailed budget proposed. The budgets are set in consultation with budget managers and signed off by service heads. Ultimately the budget is reviewed by CLT, Overview & Scrutiny Committee and Cabinet before being approved by Full Council.

Externally - during December & January the Council undertook public budget consultation which was available online and promoted both on the webpage and through social media channels. As well as dedicated information being available online, officers also presented to and heard views from the Business Advisory Board and the Joint Parish Council Committee.

#### **6. Are there any concerns at this stage which indicate the possibility of inequalities/negative impacts? (Consider and identify any evidence you have - equality data relating to usage and satisfaction levels, complaints, comments,**

research, outcomes of review, feedback and issues raised at previous consultations, known inequalities) If so please provide details.

All these considerations will have been taken into account when EIAs have been completed by Service Heads for strategies that affect their services. Any negative impacts will have been reviewed at that stage.

There are no direct concerns at this time. No specific issues have been identified in relation to the proposed growth and savings incorporated within this budget position.

In addition, all reports to CLT, Cabinet and Council require implications to be considered – this includes financial implications.

**7. Could a particular protected characteristic be affected differently in either a negative or positive way? (Positive – it could benefit, Negative – it could disadvantage, Neutral – neither positive nor negative impact or Not sure?)**

	<b>Type of impact, reason &amp; any evidence</b>
Disability	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Race (including Gypsy & Traveller)	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Age	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Gender	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Transgender	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Sexual Orientation	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Religion/Belief	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Pregnancy & Maternity	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.
Marriage/ Civil Partnership Status	Not applicable – individual service strategies and plans will address these impacts before they are included in the budget.



**8. Could other socio-economic groups be affected** e.g. carers, ex-offenders, low incomes?

No direct concerns have been identified through this process, service heads will evaluate impacts ahead of the budget proposals being made.

**9. Are there any human rights implications?**

None have been identified at this time.

**10. Is there an opportunity to promote equality and/or good community relations?**

Yes – This will have been considered through the Corporate Plan and individual strategies and service plans before they are included in the budget. Public consultation ran for over a month to gain community input into the process.

**11. If you have indicated a negative impact for any group is that impact legal?** (not discriminatory under anti-discrimination legislation)

Not applicable

**12. Is any part of this policy/service to be carried out wholly or partly by contractors?**

No

**Please note that normally you should proceed to a Stage 2: Full Equality Impact Assessment Report if you have identified actual, or the potential to cause, adverse impact or discrimination against different groups in the community. (Refer to Quick Guidance Notes at front of template document)**

**13. Is a Stage 2: Full Equality Impact Assessment Report required?**

No

**14. Date by which Stage 2 is to be completed and actions**

N/A

**Please complete**

We are satisfied that an initial screening has been carried out and a full impact assessment **is not required**.\*

Completed by: Cheryl Ireland  
Role: Lead Accountant

Date: 5 February 2020

